



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

January 25, 2012

Kennth Lowder  
Metamining of Utah  
459 South 300 East  
Springfield, Utah 84663

Subject: Deficient Notice of Intention to Commence Small Mining Operations, Metamining of Utah, Black Desert Mine, S/023/0088, Juab County, Utah

Dear Mr. Lowder:

The Division of Oil, Gas and Mining has reviewed the referenced Notice of Intention to Commence Small Mining Operations (NOI), and the following items will need to be addressed before the NOI can be determined complete:

1. Please provide additional information about total disturbed acres. Under improved roads you list a section of road 2,640 feet long section and 24 feet wide (1.455 acres). You also list the mine area as 800 feet long and 544 feet wide (10 acres). A small mine can be no more than 10 acres. The BLM is the property owner, and the road could be excluded from the permit area if the BLM concludes that the improvements are on a public road and that no reclamation would be needed on the upgraded sections.
2. Please provide the additional surety that is outlined in the following table. You will need to increase your bond to either \$45,300.00 for a three year escalation or \$47,100.00 for a five year escalation.

Project Size (Acres)	Surety 3 & 5 year escalation 2011	Comments
1 or less acres	\$7,900 (3-year escalation) \$8,200 (5-year escalation)	Minimum amount required

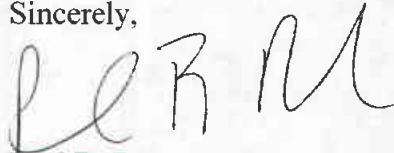
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Additional acres up to 10 total acres	\$4,700/ acre (3-year escalation) \$4,900/acre (5-year escalation)	Partial acreages rounded up (e.g., 1.2 acres = 2 acres)
Cumulative Amount for 10 acres	(i.e. Maximum of 5 acres = \$7,900 +\$42,300 = <b>\$50,200 (3-year escalation)</b> (i.e. Maximum of 5 acres = \$8,200 +\$44,100 = <b>\$52,300 (5-year escalation)</b> )	\$1,100 difference between 3 and 5 year escalation amount for 5-acres of disturbance.
Over 5 acres	Additional \$3,000 mob/demob is included because the Division believes that a second piece of equipment is needed.	Example - a dozer would be needed for grading and a trackhoe would be needed for highwall reclamation.
Total 3 years		\$45,300.00
Total 5 years		\$47,100.00

Please provide your response as replacement pages to the original NOI using Form MR-REV-SMO/EXP, available on the Division's web site at [www.ogm.utah.gov](http://www.ogm.utah.gov).

I apologize for time it has taken for the Division to respond to your submittal. If you have any questions regarding this letter, please call me at 801-538-5261 or Wayne Western at 801-538-5263. In reply, please refer to file number S/023/0088. Thank you for your cooperation.

Sincerely,



Paul B. Baker  
Minerals Program Manager

PBB: whw: eb  
cc: Jerry Mansfield (jmansfie@blm.gov)  
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